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## PROJECT APPROVAL NOTIFICATION

ARBALCONE

☐ CA☐ PROPRIETARY☐ SUBSIDY☒ FI/CI☒ DIRECT

ACTION		AREA	
<input type="checkbox"/>	NEW PROJECT	DIVISION	SR
<input type="checkbox"/>	AMENDMENT	BRANCH	
<input type="checkbox"/>	RENEWAL	DESK	Baltic
<input checked="" type="checkbox"/>	EXTENSION and termination	CASE OFFICER	EXTENSION
<input type="checkbox"/>	OTHER	<input type="checkbox"/> <input type="checkbox"/>	6003

## AUTHORIZATION

APPROVING AUTHORITY	TOTAL AMOUNT APPROVED	FY	AMOUNT
Chief, SR Division	\$E <input type="checkbox"/>	1963	\$488
PERIOD OF APPROVAL		196	
FROM 1 July 62 TO 30 September 1962	FINANCIAL CODE SYMBOL	3134-4008-5302	

## CONDITIONS OF APPROVAL

Extension to cover charges made against the project for FY 1963 and termination effective 30 September 1962.

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCE/METHOD/EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

SIGNATURE		DATE							
DDP/PG <input type="checkbox"/>	<input type="checkbox"/>	11 Oct 62							
DISTRIBUTION									
1	FINANCE DIVISION	1	BUDGET DIVISION	1	OPERATING DIVISION CHIEF OF SUPPORT	1	CASE OFFICER	2	DDP/PG

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ONLY

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## ROUTING AND RECORD SHEET

CT: (Optional)

PROJECT AEBALCONY EXTENSION AND TERMINATION

FROM:

SR/2/BALTIC

EXTENSION

NO.

6003

DATE

20 Sept 1962

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.	CSR/2/Baltic			<i>[Signature]</i>
2.	CSR/2			<i>[Signature]</i>
3.	SR/BF	9-20	9-21	<i>[Signature]</i>
4.	SR/PER/C		9/21	<i>[Signature]</i>
5.	SR/SS		9/24	<i>[Signature]</i>
6.	SR/COP		10/5	<i>[Signature]</i>
7.	<del>SR/SS</del>			
8.				
9.	C/SR		9/10/62	<i>[Signature]</i>
10.				
11.	ODC/SR	10 Oct 62		<i>[Signature]</i>
12.				
13.	SR/2/Baltic			<i>[Signature]</i>
14.				
15.				

2 cc attached for forwarding to  
DD/P-PG-FI2 copies forwarded  
to DD/P-PG 10 Oct 62  
*[Signature]*

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(When Filled In)

<b>PROJECT ACTION</b>				<b>PROJECT CRYPTONYM</b> <b>AERBALCONY</b>	
	TYPE OF ACTION	<input checked="" type="checkbox"/>	FI/CI		CA
	NEW PROJECT APPROVAL	DIVISION <b>SR</b>			
	AMENDMENT NO.	FIELD STATION			
	RENEWAL FY 196	BRANCH <b>SR/2</b>	DESK <b>Baltic</b>		
	<input checked="" type="checkbox"/> EXTENSION	CASE OFFICER <div style="display: flex; justify-content: space-between;"><span>⌈</span><span>⌋</span></div>			
	<input checked="" type="checkbox"/> TERMINATION	ROOM NO. <b>5B-2828</b>	BUILDING <b>Headquarters</b>	EXTENSION <b>6003</b>	

CONCURRENCES OF DIVISION						
ORGANIZATIONAL ELEMENT	TYPED NAME (And signature)	DATE	COPY NO.	MEMORANDUM ATTACHED		
				YES	NO	DATE
CSR/2/B	⌈	20/IX			✓	
CSR/2	⌈	20 Sept. 62			✓	
SR/BF	⌈	21 Sep 62			✓	
SR/SS	⌈	9/24			✓	
SR/PER/C	for. ⌈	9/21/62			✓	
SR/COP	⌈	10/5/62			✓	
<del>ADC/SR</del>	⌈					
<del>SR</del>	⌈					

CONCURRENCES OF OTHER COMPONENTS						

APPROVAL					
	PERIOD		TOTAL AMOUNT	FY	AMOUNT
	FROM	TO			
	1 July 1962	1 October 1962	\$ 487.70	1963	\$ 487.70
APPROVING AUTHORITY		SIGNATURE		DATE	
Chief, SR		⌈		9/10/62.	

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SR/2-B-62-265

20 September 1962

MEMORANDUM FOR: Chief, SR

SUBJECT : Extension and Termination of Project AEBALCONY

1. The attached project is presented for extension from 1 July to 1 October 1962 and for termination to be effective 1 October 1962. The extension to 1 October 1962 is requested since \$487.70 has already been charged to AEBALCONY during the fiscal year 1963. The termination is requested at this time since present operating conditions indicate that in the future all Baltic REDSKIN and associated <sup>developmental</sup> operational activity can more easily be administered by SR Division by using OOA funds.

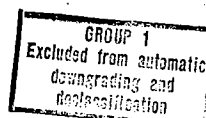
2. Project AEBALCONY was conceived on 16 May 1960 and was designed to utilize United States citizens with Baltic linguistic fluency in "mounted" and "piggy-back" legal traveler operations into Soviet-occupied Estonia, Latvia and Lithuania. The purposes of the operations were to (a) fulfill specific intelligence requirements, (b) assess specific residents of the Baltic States for vulnerabilities and (c) provide detailed operational intelligence. This project achieved its objectives in fiscal year 1962 when seven individuals were dispatched on missions to the Baltic area which resulted in the selection of a number of dead-drops, the receipt of some reports on intelligence requirements, and the acquisition of operational intelligence and personality data of considerable use to CIA.

3. There are presently no outstanding financial commitments to agents and there appear to be no risks to CIA in the termination of this project. There are no cover problems, since this project did not operate under a cover facility and utilized natural cover for its agents.

4. Please direct any comments or questions which bear on this project to [ ] , SR/2/Baltic, Room 5B-2828, extension 6003.

[ ]  
Chief, SR/2

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## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

AEBALCONY PROJECT RENEWAL - FISCAL YEAR 1963

FROM:

SR/2/BALTIC x 6003

NO.

DATE

27 July 1962

TO: (Officer designation, room number, and building)

DATE

RECEIVED

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OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

ACSR/2/BALTIC

2.

ACSR/2

3.

SR/BF

4.

SR/SS

5.

SR/PER/C

6.

ACOP/SR

7.

ADC/SR

8.

AC/SR

9.

10.

DD/P-PG-FI

11.

12.

ODC/SR/L

13.

14.

SR/2/BALTIC

15.

HAND Carry

Dis call Bera,  
x 6003.

Per FI/Ops ( [ ] )  
project is not really  
necessary. [The first one  
to question the concept  
was [ ] CSR/SS  
- Keith R. - also agreed]  
Ergo: Domestic ops  
out of OO/P. Any Redshirts  
Op: get money authorization  
for each individual op.

17 Aug 62.

3 CC with Form 848 attached for  
retention.☒ SECRET☐ CONFIDENTIAL☐ INTERNAL  
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(When Filled In)

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## AERBALCONY PROJECT RENEWAL

### Current Objectives

1. This project provides for conducting legal traveller operations from the United States into Soviet Estonia, Latvia and Lithuania in furtherance of CIA objectives and in accord with the legal traveller operational guidance contained in Book Dispatch 3125, dated 5 April 1962. This project is in furtherance of the CIA mission directive and is approved under Paragraph II of Section B (Covert Collection) of the SR Division Operational Program for Fiscal Year 1963. Project activities have included the collection of positive intelligence, support of internal assets, assessment of vulnerable Balts residing in the Soviet-occupied Baltic areas, the conducting of subtle CA activities and the collection of operational data. By reason of Soviet-imposed security restrictions which are unique to the Baltic States, progress has been and probably will continue to remain unspectacular. However, in spite of the operational problems involved, some progress was realized in each category of activity. In view of this, a renewal of the Project appears warranted. At the same time, certain changes will be made in the Project which will broaden its operational base in an attempt to more readily attain the CIA objectives for which the Project was originally created.

### Changes

2. Several types of operations are proposed for inclusion in the Project, all of them calculated to overcome some of the operational problems encountered during the past year and to further the same CIA objectives and the SR Division Operational Program as those of the previously approved Project. The additional undertakings which are planned for the Project will all be initiated from or transpire within the United States, will be in accord with previous Project activities, and will include the following:

a. Selected third-nationals who are living in the United States and Baltic-Americans will be utilized in an effort to contact and develop vulnerability data on Soviet Balts temporarily residing or visiting in the United States.

b. As the opportunity is provided, third-national and Baltic-American scientific and professional leaders will be sent to attend international conferences in the United States

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and in the West where they will contact and develop vulnerability data on their "opposite numbers" from the Soviet occupied Baltic States.

c. Certain selected permanent arrivees who have arrived in the United States directly from the Soviet occupied Baltic States will be debriefed by Headquarters' officers for operational intelligence and operational leads to potential internal assets.

### Intelligence Production

3. This project is one of a total of four CIA undertakings which are solely and specifically targeted against the Soviet-occupied Baltic States, an extremely difficult operational area at best, and the only project which is "domestic" in concept; the other three are Field Projects. This Project produced six positive information reports during the past project year and four of the reports were disseminated. The information disseminated concerned missile sites, airfields and early-warning intelligence. In addition, a large amount of support data was obtained including the locating of five dead drop sites for use in the support of internal assets; the receipt of a number of operational leads to Balts, some of whom are believed to be vulnerable; an intimate insight into the realities of life in Vilnius and Riga. This production of course was supplemented by the "subtle CA activity" carried on by each of the travellers. All of the above resulted from the efforts of nine Baltic-American legal travellers who were spotted, assessed, recruited, trained, briefed, dispatched and debriefed during the past fiscal year. In addition to this, one Estonian-American was fully trained and dispatched but at the last moment was not allowed to enter the USSR. A Lithuanian-American was also trained but was not dispatched because his re-supply mission to an internal asset was postponed.

### Effectiveness

4. The evaluation and assessment of thirteen legal traveller candidates and the dispatching of nine of them is some indication of the Project's effectiveness. The intelligence product which resulted from this activity was not of the sensational variety but nevertheless was very real and necessary as a basis for any future Baltic operations by CIA. The intimate insights into Soviet security measures, popular Baltic sentiment and human suffering were additional positive results of this activity. In fact, the knowledge derived from this activity has enabled us not only to plan future operations more realistically but has also enabled us to speak with greater authority when questioned by other "friendly" services concerning the current operational status of the Baltic States. Of course, the effectiveness of

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the "subtle CA activity" must remain clouded by its very nature, but it is our belief that the very presence of politically-sophisticated Americans, who are fluent in at least one of the Baltic languages, is a very positive thing and should be considered in any discussion of effectiveness.

#### Problems

5. The rigid security system still in being in the Baltic States is the single greatest operational problem encountered under this project; the Soviets permit access to areas outside of the cities of Vilnius, Riga and Tallinn only to trusted Communist Party members. In addition, it is ever more difficult to find third-nationals and Baltic-Americans in the United States who are willing to travel to the Baltic States and who have a sufficient degree of linguistic fluency to make such travel of any intelligence value. It is indeed true that the three Baltic languages are rapidly becoming dead languages in the Western world; their mastery demands such a degree of intellectual concentration that few are willing to make the effort. Therefore, since there is little to interest or draw the normal tourist to the Baltic States and since language plays such a role, the agent-pool available to CIA in the Western world and especially in the United States is highly restricted in number. It is also a known fact that the Soviets are highly selective in the granting of visas for travel to the Baltic States and have resorted to many tactics which are inclined to reduce even further the number of potential visitors to that area from the United States.

#### Liaison

6. There are no liaison relationships connected with this Project.

#### Interagency Coordination

7. There is no formal interagency coordination under this Project. However, there is occasional ad hoc coordination with other governmental agencies when domestic operational activity involves an employee of another governmental agency.

#### Plans

8. It is planned that the increased scope of the Project will overcome certain past problems and provide greater possibility for more selective and successful legal traveller operations in the future. It is hoped that

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During the ensuing fiscal year between three and five legal travellers will be dispatched into the Soviet-occupied Baltic States and that other domestic operational activity in their support will be undertaken as circumstances allow.

Costs

9. For the past period the Project costs were \$17,928.54.. The Project demanded the full-time efforts of four case officers and one contract employee.

10. For the ensuing period, fiscal year 1963, \$22,500.00.

Expenses for spotting, recruiting, training, briefing and dispatching and debriefing five legal travellers	\$10,000.00
Financial payments for travel and personal services paid to scientific and professional men who will be sent to meet leaders from the Soviet-occupied Baltic States attending international gatherings in the West	3,000.00
Payments to agents for activities in support of "contact" operations involving Soviet Balts travelling or residing in the United States	3,000.00
Case Officer travel expenses in support of operations for the debriefing of recent permanent arrivees in the United States from the Baltic States	3,000.00
Case Officer travel in support of legal traveller and "contact" operations	3,000.00
Operational housing in support of all operational activity	500.00
TOTAL:	<hr/> \$22,500.00

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